

CHAPTER 1212

LIMITED SALES AND USE TAX EXEMPTION FOR CLOTHING AND FOOTWEAR

H.F. 2351

AN ACT relating to a sales and use tax exemption for the sales of clothing and footwear for a limited time period annually and including an effective date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 422.45, Code Supplement 1999, is amended by adding the following new subsection:

NEW SUBSECTION. 57. a. The gross receipts from the sale of an article of clothing or footwear designed to be worn on or about the human body if all of the following apply:

(1) The sales price of the article is less than one hundred dollars.

(2) The sale takes place during a period beginning at 12:01 a.m. on the first Friday in August and ending at midnight on the following Saturday.

b. This subsection does not apply to any of the following:

(1) Special clothing or footwear that is primarily designed for athletic activity or protective use and that is not normally worn except when used for the athletic activity or protective use for which it is designed.

(2) Accessories, including jewelry, handbags, luggage, umbrellas, wallets, watches, and similar items carried on or about the human body, without regard to whether worn on the body in a manner characteristic of clothing.

(3) The rental of clothing or footwear.

Sec. 2. During the regular session of the general assembly convening in 2002, the appropriate committees shall review the impact that the exemption enacted in section 1 of this Act has had in the economy and tax revenues of the state. After reviewing such impact, the appropriate committees shall consider the benefits of expanding the exemption enacted in section 1 of this Act to apply to sales of articles of clothing and footwear regardless of when such sales take place.

Sec. 3. **EFFECTIVE DATE.** This Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 26, 2000

CHAPTER 1213

ECONOMIC DEVELOPMENT PROGRAMS — TAX CREDITS — INCENTIVES

H.F. 2540

AN ACT relating to economic development programs and related tax credits and including effective and retroactive applicability date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 15.333, subsection 1, Code Supplement 1999, is amended to read as follows:

1. An eligible business may claim a corporate tax credit up to a maximum of ten percent of the new investment which is directly related to new jobs created by the location or expan-